CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 29, 2000

H.R. 4828
Steens Mountain Cooperative Management and Protection Act of 2000

As ordered reported by the House Committee on Resources on September 20, 2000

SUMMARY

CBO estimates that implementing H.R. 4828 would cost $30 million over the 2001-2005 period, assuming appropriation of the necessary amounts. Because the bill would affect direct spending (including offsetting receipts), pay-as-you-go procedures would apply, but we estimate that any such effects would total less than $500,000 a year.

H.R. 4828 would withdraw 896,907 acres of federal land in the vicinity of Steens Mountain, Oregon, from mining and from mineral and geothermal leasing and development. Within that area, the bill would direct the Secretary of the Interior to establish the Steens Mountain Cooperative Management and Protection Area on about 425,550 acres of federal land, and would designate 152,632 acres of other federal lands as wilderness. H.R. 4828 would authorize the appropriation of $25 million for the Secretary to acquire nonfederal lands and conservation easements within the proposed protection area and $5 million to study the role of fire in managing juniper forests. The bill also would authorize the appropriation of whatever sums are necessary to manage the federal lands included in the protection and wilderness areas, conduct certain land exchanges authorized by the bill, and establish new programs for managing natural resources within the proposed protection area.

H.R. 4828 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs incurred by state, local, or tribal governments to participate in managing the areas affected by this bill would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing H.R. 4828 would cost $30 million over the 2001-2005 period, assuming appropriation of the necessary amounts. The legislation also would affect direct spending, but we estimate that any such impacts would be less than $500,000 a year. The estimated budgetary impact of H.R. 4828 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION [a]						
Estimated Authorization Level	0	16	6	6	6	6
Estimated Outlays	0	8	5	5	6	6

a. H.R. 4828 also would affect direct spending, but by less than $500,000 a year.

BASIS OF ESTIMATE

For this estimate, we assume that H.R. 4828 will be enacted near the start of fiscal year 2001 and that the amounts estimated to be necessary will be appropriated near the start of each fiscal year. Estimates of outlays are based on historical spending patterns for similar activities.

Spending Subject to Appropriation

Implementing several provisions of H.R. 4828 would increase costs for the Bureau of Land Management (BLM), the agency responsible for managing the federal lands affected by the bill. Those provisions would:

- Authorize the Secretary to establish the proposed protection and wilderness areas and specify conditions for grazing and other resource management activities on those lands,

- Authorize the appropriation of $25 million for the Secretary to acquire nonfederal lands within the proposed protection area and provide incentives for landowners within that area to grant conservation easements on their properties,

- Establish the Wildlands Juniper Management Area and authorize the appropriation of $5 million to study the role of fire in managing juniper forests,

- Authorize several land exchanges.

Establishment and Management Costs. H.R. 4828 would direct the BLM to establish and manage the proposed protection and wilderness areas pursuant to a management plan required under the bill. The bill would require the Secretary to establish an advisory council to assist in implementing that plan and would specify certain conditions for the management of resources within the proposed areas. Within the protection area, H.R. 4828 would require the Secretary to prohibit livestock grazing in certain areas and to build fences around other specified areas where grazing would be permitted. The bill would designate about 24 miles of river segments within the proposed wilderness area as wild rivers and establish a trout reserve for conserving and protecting redband trout within those rivers. Based on information from BLM, CBO estimates that these activities would cost about $1 million annually.

Acquisition of Land and Easements. H.R. 4828 would authorize the appropriation of $25 million for BLM to acquire nonfederal lands within the proposed protection area from willing sellers and to provide incentives for landowners to grant non-development or conservation easements on their property. Based on information from BLM, we estimate that these activities would cost about $15 million over the next five years, and that remaining amounts would be spent over the 2006-2010 period.

Wildlands Juniper Management Area. The bill also would authorize the appropriation of $5 million for BLM to establish a management area for studying the role of fire in managing juniper forests. Based on information from the agency, we estimate that this effort would cost $5 million over the 2001-2004 period.

Land Exchanges. H.R. 4828 would authorize the Secretary to conduct five land exchanges with private parties and would specify the terms of each of those exchanges. Under the bill, the Secretary would exchange about 104,234 acres of federal lands beyond the boundaries of the proposed protection area for about 18,446 acres of privately-owned land within that area. The bill would authorize the Secretary to make a specified payment to the private party involved in each exchange. Based on information from BLM, we expect that all of the lands would be exchanged during fiscal year 2001 and that payments made as part of those exchanges would total about $5 million in that year.

Finally, H.R. 4828 would direct the Secretary to acquire from the state of Oregon, through exchange, or purchase, roughly 1,100 acres of land and 50,000 acres of mineral estate located within the boundaries of the proposed mineral withdrawal area. According to BLM and the state, both parties would prefer to exchange lands of approximately equal value under this provision. Any payments to the state would come from appropriated funds. While the terms of any such exchange are highly uncertain, we expect that any amounts paid to the state would be insignificant.

Direct Spending

H.R. 4828 contains several provisions that could affect offsetting receipts (a credit against direct spending) and payments to states for their share of those receipts. First, subject to valid existing rights, H.R. 4828 would withdraw certain lands from mining, mineral leasing, and geothermal leasing. Second, the bill would prohibit commercial timber harvesting within the proposed protection area. Third, H.R. 4828 would authorize the Secretary to exchange certain federal lands that currently produce some offsetting receipts. Based on information from BLM, we estimate that the net impact on direct spending of those provisions would be less than $500,000 in any given year. According to the agency, the affected lands currently generate no significant receipts and are not expected to do so in the near future.

In addition, H.R. 4828 would authorize the Secretary to convey to Oregon federal lands in exchange for certain state lands, but does not specify the federal lands to be exchanged. Because it is uncertain which federal lands would be exchanged, we cannot estimate the amount of any forgone receipts that might result under this provision. Based on information from BLM regarding the likely terms of any such exchange, however, we expect that the agency would not exchange lands that produce a significant amount of receipts. Hence, we expect that any forgone receipts resulting from a land exchange with the state would be small.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. H.R. 4828 contains provisions that could reduce offsetting receipts (a credit against direct spending) from the use of federal lands; thus, pay-as-you-go procedures would apply. CBO estimates, however, that any changes in direct spending would total less than $500,000 a year.

INTERGOVERNMENTAL AND PRIVATE SECTOR IMPACT

H.R. 4828 contains no intergovernmental or private-sector mandates as defined in UMRA. Any costs incurred by state, local, or tribal governments to participate in managing the areas affected by this bill would be voluntary.

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